## INSURANCE REGULATORY TRUST FUND INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

August-108						Current	Prior Year	3 Years	5 Years				
Market Value   Actual   Policy   Nei ROR   Narket Value   Actual   Policy   Nei ROR   Net   Net   Net   Net   Net   Structured Growth		ŭ			,				FYTD	FY08			
LARGE CAP DOMESTIC EQUITY STRUCTURE GROwth Los Angeles Capital 93,617 2.3% 2.3% -0.56% 88,752 2.2% 2.3% -1.18% -1.73% -7.79% 7.68% NA Total Structured Growth 93,617 2.3% 2.3% -0.56% 88,752 2.2% 2.3% -1.18% -1.73% -7.79% 7.68% 9.56% Russell 1000 Growth Structured Value LEV Russell 1000 Financed Index LEV Russell 1000 Financed Index LEQ 1000										<b>.</b>			
Structured Growth	LARCE CAR DOMESTIC FOLLITY	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
Los Angelos Capital   93,617   2.3%   2.3%   -0.56%   88,752   2.2%   2.3%   -1.18%   -1.73%   -7.79%   7.68%   9.56%   8.875   2.2%   2.3%   -1.18%   -1.73%   -7.79%   7.68%   9.56%   8.875   2.2%   2.3%   -1.18%   -1.73%   -7.79%   7.68%   9.56%   9.56%   8.875   2.2%   2.3%   -1.18%   -1.73%   -7.79%   7.68%   9.56%   9.56%   8.875   2.2%   2.3%   -1.18%   -1.73%   -7.79%   7.68%   9.56%													
Total Structured Growth 93,617 2.3% 2.3% 0.56% 88,752 2.2% 2.3% 1.18% 1.73% 7.79% 7.68% 9.56% Rossell flood Growth 1.08% 9.56% Rossell flood Growth 1.08% 9.56% Rossell flood Value 1.00% 9.56% 1.08% 9.56% 1.08% 9.56% 1.08% 9.56%		93.617	2.3%	2.3%	-0.56%	88.752	2.2%	2.3%	-1.18%	-1.73%	-7.79%	7.68%	N/A
Structured Value	·	, -				,							
LSV Russell 1000 Value   183,450   2.1%   2.3%   1.61%   78,912   1.9%   2.3%   0.58%   1.02%   2.143%   3.81%   11.57%   Russell 1000 Enhanced Index   183,450   4.5%   4.5%   0.76%   171,638   4.2%   4.5%   -2.05%   -1.30%   -1.23%   4.15%   8.29%   N/A   Russell 1000 Enhanced Index   183,450   4.5%   4.5%   0.76%   1.30%   -1.6%   0.20%   -12.30%   4.15%   -1.6%   0.20%   -12.30%   4.15%   N/A   N	Russell 1000 Growth	,			1.08%	,			-1.90%	-0.84%	-5.96%	5.91%	7.32%
LSV Russell 1000 Value   183,450   2.1%   2.3%   1.61%   78,912   1.9%   2.3%   0.58%   1.02%   2.143%   3.81%   11.57%   Russell 1000 Enhanced Index   183,450   4.5%   4.5%   0.76%   171,638   4.2%   4.5%   -2.05%   -1.30%   -1.23%   4.15%   8.29%   N/A   Russell 1000 Enhanced Index   183,450   4.5%   4.5%   0.76%   1.30%   -1.6%   0.20%   -12.30%   4.15%   -1.6%   0.20%   -12.30%   4.15%   N/A   N	Structured Value												
Russell 1000 Enhanced Index LA Capital LA Ca	LSV	85,075	2.1%	2.3%	1.61%	78,912	1.9%	2.3%	-0.58%	1.02%	-21.43%	3.81%	11.57%
LA Capital Russell 1000	Russell 1000 Value	·			1.70%	,			-0.36%	1.33%	-18.78%	3.53%	8.92%
Russell 1000 SAP 500 Inhanced Index Westridge 189,928 4.7% 4.5% 1.58% 176,285 4.3% 4.5% -0.73% 0.85% -12.18% 4.98% N/A 58P 500 1.45% -0.64% 0.59% -13.12% 4.41% 1.45% 1.45% 0.59% -13.12% 4.41% 1.45% 1.45% 0.59% -13.12% 4.41% 1.45% 1.45% 0.59% -13.12% 4.41% 1.45% 1.45% 0.59% -13.12% 4.41% 1.45% 1.45% 0.59% 0.59% -13.12% 4.41% 1.45% 0.59	Russell 1000 Enhanced Index												
Russell 1000 SAP 500 Enhanced Index Westridge 189,928 4.7% 4.5% 1.58% 176,285 4.3% 4.5% -0.73% 0.85% -12.18% 4.98% N/A SAP 500 1.45% -0.64% 0.59% -13.12% 4.41%  State Street 61,005 0.31% 57,330 1.4% 1.5% -1.16% 0.85% -18.24% 2.93% 6.64% 701al 13030 61,005 1.5% 1.5% 0.31% 57,330 1.4% 1.5% -1.16% -0.85% 18.24% 2.93% 6.64% SAP 500  TOTAL LARGE CAP DOMESTIC EQUITY Manager-of-Managers SEI 101,122 2.5% 2.5% 2.40% 94,517 2.3% 2.5% 0.99% 1.312% 4.41% 7.59%  SMALL CAP DOMESTIC EQUITY Manager-of-Managers SEI 101,122 2.5% 2.5% 2.40% 94,517 2.3% 2.5% 0.99% 3.41% 20,93% 2.66% 9.10% 7.79%  Enhanced Research Affiliates 107,356 2.6% 2.5% 3.55% 99,182 2.4% 2.5% 2.98% N/A N/A N/A Russell 2000  TOTAL SMALL CAP DOMESTIC EQUITY Russell 2000 - 200bp 16.00 3.61% 5.0% 2.99% 3.61% 5.0% 3.70% 7.45% -16.19% 3.79% 10.29%  INTERNATIONAL EQUITY Large Cap - Active 161,501 4.0% 4.0% -1.07% 147,073 3.6% 4.0% -2.50% 3.55% 2.57% 7.39% 14.55%  SMAIL Cap Value 5PA 5.1% 5.0% 2.24% 34,921 0.9% 1.0% 4.44% N/A N/A N/A N/A Total Large Cap - Active 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% 4.44% N/A N/A N/A N/A Total Large Cap - Active 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% 4.44% N/A N/A N/A N/A Total Large Cap - Active 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% 4.44% N/A N/A N/A N/A Total Large Gap - Growth N/A R/A SAP Citigroup Broad Market Index < \$2BN \$36,095 9.0% 10.0% -3.62% 6.53% 1.83% 9.79% 14.58% 5.99% 17.33% 10.00% 3.00% 1.0% -3.22% 3.3,971 0.8% 1.0% 5.82% 11.0% -3.75% 17.33% 10.8% 1.75.2% 12.74% 9.30% 17.27% 10.18%		183,450	4.5%	4.5%	0.76%	171,638	4.2%	4.5%	-2.05%	-1.30%	-9.54%	6.97%	N/A
Nestridge	•	,			1.38%	,			-1.16%	0.20%	-12.36%	4.81%	
Nestridge	S&P 500 Enhanced Index												
Index   State Street   State Stree		189,928	4.7%	4.5%	1.58%	176,285	4.3%	4.5%	-0.73%	0.85%	-12.18%	4.98%	N/A
Sate Street	S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	
Total 130/30	Index												
\$\$\frac{\color=1.45\%}{\color=1.45\%}\$\$ \tau_{\color=1.2\%}{\color=1.2\%}\$\$ \tau_{\color=1.2\%}{\color=1.2\%}		61,005			0.31%	57,330			-1.16%	-0.85%	-18.24%	2.93%	6.64%
TOTAL LARGE CAP DOMESTIC EQUITY \$\$8 \	Total 130/30	61,005	1.5%	1.5%	0.31%	57,330	1.4%	1.5%	-1.16%	-0.85%	-18.24%	2.93%	6.64%
S&P 500  SMALL CAP DOMESTIC EQUITY Manager of-Managers  SEI  101,122 2.5% 2.5% 2.40% 94,517 2.3% 2.5% 0.99% 3.41% -20.93% 2.06% 9.10% Russell 2000 + 200bp  Enhanced Research Affiliates 107,356 2.6% 2.5% 3.55% 99,182 2.4% 2.5% 2.98% NA Russell 2000  TOTAL SMALL CAP DOMESTIC EQUITY 208,478 5.1% 5.0% 2.99% 193,699 4.8% 5.0% 1.97% 5.02% -21.14% 1.97% 9.04% Russell 2000  TOTAL SMALL CAP DOMESTIC EQUITY Large Cap - Active 321,841 7.9% 8.0% -2.47% 297,204 7.3% 8.0% -2.64% -10.9% 17.35%  Small Cap - Value DFA 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% NA NA NIA NIA NIA NIA NIA NIA NIA NIA NI	S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
S&P 500  SMALL CAP DOMESTIC EQUITY Manager of-Managers  SEI  101,122 2.5% 2.5% 2.40% 94,517 2.3% 2.5% 0.99% 3.41% -20.93% 2.06% 9.10% Russell 2000 + 200bp  Enhanced Research Affiliates 107,356 2.6% 2.5% 3.55% 99,182 2.4% 2.5% 2.98% NA Russell 2000  TOTAL SMALL CAP DOMESTIC EQUITY 208,478 5.1% 5.0% 2.99% 193,699 4.8% 5.0% 1.97% 5.02% -21.14% 1.97% 9.04% Russell 2000  TOTAL SMALL CAP DOMESTIC EQUITY Large Cap - Active 321,841 7.9% 8.0% -2.47% 297,204 7.3% 8.0% -2.64% -10.9% 17.35%  Small Cap - Value DFA 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% NA NA NIA NIA NIA NIA NIA NIA NIA NIA NI	TOTAL LARGE CAP DOMESTIC EQUITY	613.075	15.1%	15.0%	0.88%	572.917	14.1%	15.0%	-1.22%	-0.35%	-12.71%	5.68%	9.31%
Manager of-Managers         SE         101,122         2.5%         2.5%         2.40%         94,517         2.3%         2.5%         0.99%         3.41%         -20.93%         2.06%         9.10%           Enhanced         Research Affiliates         107,356         2.6%         2.5%         3.55%         99,182         2.4%         2.5%         2.98%         N/A         10.9%         10.2%         10.2%							, .				-13.12%		
Manager of-Managers         SE         101,122         2.5%         2.5%         2.40%         94,517         2.3%         2.5%         0.99%         3.41%         -20.93%         2.06%         9.10%           Enhanced         Research Affiliates         107,356         2.6%         2.5%         3.55%         99,182         2.4%         2.5%         2.98%         N/A         10.9%         10.2%         10.2%													
SE	SMALL CAP DOMESTIC EQUITY												
Russell 2000 + 200bp													
Enhanced Research Affiliates 107,356 2.6% 2.5% 3.55% 3.55% 3.61%  Russell 2000 3.61% 5.0% 2.99% 193,699 4.8% 5.0% 1.97% 5.02% -16.19% 1.97% 9.04%  Russell 2000 3.61% 5.0% 2.99% 193,699 4.8% 5.0% 1.97% 5.02% -21.14% 1.97% 9.04%  Russell 2000 3.61% 5.0% 3.70% 7.45% -16.19% 3.79% 10.29%  INTERNATIONAL EQUITY  Large Cap - Active Capital Guardian 160,340 3.9% 4.0% -3.83% 150,131 3.7% 4.0% -4.00% -7.68% -12.37% 12.24% 14.35%  LSV 161,501 4.0% 4.0% -1.07% 147,073 3.6% 4.0% -2.50% -3.55% -25.78% 7.37% N/A  Total Large Cap - Active 321,841 7.9% 8.0% -2.47% 297,204 7.3% 8.0% -2.64% -4.19% -15.14% 10.93% 14.67%  Small Cap - Value  DFA 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% N/A N/A N/A N/A N/A Total Small Cap Value 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% -7.52% -25.49% 7.39% 17.33%  Small Cap - Growth  Vanguard 36,405 0.9% 1.0% -5.82% 33,971 0.8% 1.0% -5.82% -4.30% -9.47% -25.49% 7.39% 17.33%  TOTAL INTERNATIONAL EQUITY 395,734 9.7% 10.0% -2.85% 366,095 9.0% 10.0% -3.62% -6.37% -18.83% 9.79% 14.56%		101,122	2.5%	2.5%		94,517	2.3%	2.5%					
Research Affiliates 107,356 2.6% 2.5% 3.55% 3.55% 3.61% 3.70% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% -16.19% 1.97% 9.04% 7.45% 1.019% 1.01% 9.04% 9	Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Russell 2000   3.61%   3.70%   7.45%   -16.19%   7.074L SMALL CAP DOMESTIC EQUITY   208,478   5.1%   5.0%   2.99%   193,699   4.8%   5.0%   1.97%   5.02%   -21.14%   1.97%   9.04%   3.70%   7.45%   -16.19%   3.79%   10.29%   1													
TOTAL SMALL CAP DOMESTIC EQUITY Russell 2000  193,699 193,699 4.8% 5.0% 1.97% 5.02% 2-1.14% 1.97% 9.04% 7.45% 10.29% 10.2		107,356	2.6%	2.5%		99,182	2.4%	2.5%		-	-	N/A	N/A
NTERNATIONAL EQUITY   Large Cap - Active   Capital Guardian   160,340   3.9%   4.0%   -3.83%   150,131   3.7%   4.0%   -4.00%   -7.68%   -12.37%   12.24%   14.35%   150,131   3.7%   4.0%   -2.50%   -3.55%   -25.78%   7.37%   N/A   147,073   3.6%   4.0%   -2.60%   -3.25%   -2.578%   7.37%   N/A   14.67%   14.67%   -1.59%   -	Russell 2000				3.61%				3.70%	7.45%	-16.19%		
INTERNATIONAL EQUITY Large Cap - Active Capital Guardian LSV 161,501 4.0% 4.0% -1.07% 147,073 3.6% 4.0% -2.50% -3.55% -25.78% 7.37% N/A Total Large Cap - Active  Small Cap - Value DFA 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% N/A N/A N/A Total Small Cap Value S&P/Citigroup Broad Market Index < \$2BN  Small Cap - Growth Vanguard Citigroup Broad Market Index < \$2BN  TOTAL INTERNATIONAL EQUITY 395,734 9.7% 10.0% -2.85% 366,095 9.0% 10.0% -3.62% -6.37% -18.83% 9.79% 14.56%  150,131 3.7% 4.0% -4.00% -7.68% -12.37% 12.24% 14.35% 14.65% -2.50% -3.55% -25.78% 7.37% N/A 147,073 3.6% 4.0% -2.50% -2.50% -3.55% -25.78% 7.37% N/A 147,073 3.6% 4.0% -2.50% -3.55% -25.78% 7.37% N/A 150,131 3.7% 4.0% -4.00% -2.50% -3.55% -25.78% 7.37% N/A 150,131 3.7% 4.0% -2.50% -3.55% -2.50% -3.55% -2.50% -3.55% -2.50% -2.50% -3.55% -2.50% -2.50% -3.55% -2.50% -2.50% -3.55% -2		208,478	5.1%	5.0%		193,699	4.8%	5.0%					
Large Cap - Active       Capital Guardian       160,340       3.9%       4.0%       -3.83%       150,131       3.7%       4.0%       -4.00%       -7.68%       -12.37%       12.24%       14.35%         LSV       161,501       4.0%       4.0%       -1.07%       147,073       3.6%       4.0%       -2.50%       -3.55%       -25.78%       7.37%       N/A         Total Large Cap - Active       321,841       7.9%       8.0%       -2.47%       297,204       7.3%       8.0%       -3.27%       -5.66%       -19.29%       9.83%       13.46%         MSCI EAFE - 50% Hedged       -1.59%       -1.59%       -1.59%       -2.64%       -4.19%       -15.14%       10.93%       14.67%         Small Cap - Value         DFA       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A       N/A       N/A       N/A         SwP/Citigroup Broad Market Index < \$2BN	Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
Large Cap - Active       Capital Guardian       160,340       3.9%       4.0%       -3.83%       150,131       3.7%       4.0%       -4.00%       -7.68%       -12.37%       12.24%       14.35%         LSV       161,501       4.0%       4.0%       -1.07%       147,073       3.6%       4.0%       -2.50%       -3.55%       -25.78%       7.37%       N/A         Total Large Cap - Active       321,841       7.9%       8.0%       -2.47%       297,204       7.3%       8.0%       -3.27%       -5.66%       -19.29%       9.83%       13.46%         MSCI EAFE - 50% Hedged       -1.59%       -1.59%       -1.59%       -2.64%       -4.19%       -15.14%       10.93%       14.67%         Small Cap - Value         DFA       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A       N/A       N/A       N/A         SwP/Citigroup Broad Market Index < \$2BN	INTERNATIONAL FOLIEV												
Capital Guardian       160,340       3.9%       4.0%       -3.83%       150,131       3.7%       4.0%       -4.00%       -7.68%       -12.37%       12.24%       14.35%         LSV       161,501       4.0%       4.0%       -1.07%       147,073       3.6%       4.0%       -2.50%       -3.55%       -25.78%       7.37%       N/A         Total Large Cap - Active       321,841       7.9%       8.0%       -2.47%       297,204       7.3%       8.0%       -3.27%       -5.66%       -19.29%       9.83%       13.46%         MSCI EAFE - 50% Hedged       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A													
LSV 161,501 4.0% 4.0% -1.07% 147,073 3.6% 4.0% -2.50% -3.55% -25.78% 7.37% N/A  Total Large Cap - Active 321,841 7.9% 8.0% -2.47% 297,204 7.3% 8.0% -3.27% -5.66% -19.29% 9.83% 13.46%  MSCI EAFE - 50% Hedged -1.55% -2.64% -4.19% -15.14% 10.93% 14.67%  Small Cap - Value DFA 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% N/A N/A N/A N/A Total Small Cap Value 37,488 0.9% 1.0% -3.22% 34,921 0.9% 1.0% -4.44% -7.52% -12.74% 9.30% 17.27% S&P/Citigroup Broad Market Index < \$2BN	- ·	160 340	3 9%	4.0%	-3 83%	150 131	3.7%	4 0%	-4 00%	-7 68%	-12 37%	12 24%	14 35%
Total Large Cap - Active  321,841  7.9%  8.0%  -2.47%  297,204  7.3%  8.0%  -3.27%  -5.66%  -19.29%  9.83%  13.46%  MSCI EAFE - 50% Hedged  -1.59%  Small Cap - Value  DFA  37,488  0.9%  1.0%  37,488  0.9%  1.0%  37,488  0.9%  1.0%  37,488  0.9%  1.0%  37,488  0.9%  1.0%  34,921  0.9%  1.0%  -4.44%  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/	•					,							
MSCI EAFE - 50% Hedged       -1.59%       -2.64%       -4.19%       -15.14%       10.93%       14.67%         Small Cap - Value       DFA       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A		· · · · · · · · · · · · · · · · · · ·				,							-
DFA       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A       N/A<	MSCI EAFE - 50% Hedged	,			-1.59%	,			-2.64%	-4.19%	-15.14%	10.93%	14.67%
DFA       37,488       0.9%       1.0%       -3.22%       34,921       0.9%       1.0%       -4.44%       N/A       N/A<	-												
Total Small Cap Value         37,488         0.9%         1.0%         -3.22%         34,921         0.9%         1.0%         -4.44%         -7.52%         -12.74%         9.30%         17.27%           S&P/Citigroup Broad Market Index < \$2BN	Small Cap - Value												
S&P/Citigroup Broad Market Index < \$2BN       -5.40%       -5.40%       -4.30%       -9.47%       -25.49%       7.39%       17.33%         Small Cap - Growth Vanguard Citigroup Broad Market Index < \$2BN       36,405       0.9%       1.0%       -5.82%       33,971       0.8%       1.0%       -5.82%       -11.30%       -17.52%       11.77%       20.18%         TOTAL INTERNATIONAL EQUITY       395,734       9.7%       10.0%       -2.85%       366,095       9.0%       10.0%       -3.62%       -6.37%       -18.83%       9.79%       14.56%						,						-	
Small Cap - Growth         Vanguard       36,405       0.9%       1.0%       -5.82%       33,971       0.8%       1.0%       -5.82%       -11.30%       -17.52%       11.77%       20.18%         Citigroup Broad Market Index < \$2BN	•	37,488	0.9%	1.0%		34,921	0.9%	1.0%					
Vanguard     36,405     0.9%     1.0%     -5.82%     33,971     0.8%     1.0%     -5.82%     -11.30%     -17.52%     11.77%     20.18%       Citigroup Broad Market Index < \$2BN	S&P/Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
Vanguard     36,405     0.9%     1.0%     -5.82%     33,971     0.8%     1.0%     -5.82%     -11.30%     -17.52%     11.77%     20.18%       Citigroup Broad Market Index < \$2BN	Small Can - Growth												
Citigroup Broad Market Index < \$2BN       -5.40%       -5.40%       -4.30%       -9.47%       -25.49%       7.39%       17.33%         TOTAL INTERNATIONAL EQUITY       395,734       9.7%       10.0%       -2.85%       366,095       9.0%       10.0%       -3.62%       -6.37%       -18.83%       9.79%       14.56%		36.405	0.9%	1.0%	-5.82%	33.971	0.8%	1.0%	-5.82%	-11.30%	-17.52%	11.77%	20.18%
TOTAL INTERNATIONAL EQUITY 395,734 9.7% 10.0% -2.85% 366,095 9.0% 10.0% -3.62% -6.37% -18.83% 9.79% 14.56%	•	33, 130	3.0 /0	.10 /0		33,571	3.070	.10,0					
, ,		205 724	0 7%	10.0%		266 005	0.0%	10.0%					
2.07/0 4.10/0 10.14/0 10.30/0 14.07/0		393,734	3.1 /0	10.0%		300,095	3.0 /0	10.070					
					,0				0.,0		1270	12.0070	

## **INSURANCE REGULATORY TRUST FUND INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008**

					Current FYTD	Prior Year FY08	3 Years Ended	5 Years Ended				
	Market Value	Alloca Actual	ation Policy	Month Net ROR	Market Value	Alloca Actual	ation Policy	Month Net ROR	Net	Net	6/30/2008 Net	6/30/2008 Net
DOMESTIC FIXED INCOME	Market Value	Actual	Folicy	Net KOK	Market value	Actual	Folicy	Net NON	iver	ivet	ivet	ivet
Core Bond												
Western Asset	428,559	10.6%	10.9%	1.03%	432,248	10.7%	10.9%	-1.78%	-0.76%	2.06%	2.76%	3.55%
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	82,442	2.0%	2.8%	-10.70%	94,764	2.3%	2.8%	-8.02%	-17.87%	-20.24%	N/A	N/A
Lehman Global Aggregate (US Securitized Po	ortion)			-0.46%				-0.06%	-0.52%	10.14%		
Core Plus/Enhanced												
Clifton Group	126,511	3.1%	2.8%	1.11%	127,200	3.1%	2.8%	0.45%	1.56%	10.17%	N/A	N/A
Prudential	125,443	3.1%	2.8%	0.71%	126,807	3.1%	2.8%	-0.24%	0.46%	4.89%	N/A	N/A
Total Core Plus/Enhanced	251,954	6.2%	5.6%	0.91%	254,007	6.3%	5.6%	0.10%	1.01%	7.55%	N/A	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%		
Index												
Bank of ND	220,350	5.4%	4.9%	1.06%	222,138	5.5%	4.9%	0.07%	1.14%	7.68%	3.93%	3.28%
Lehman Gov/Credit (1)				0.92%				0.00%	0.92%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	438,046	10.8%	10.9%	0.83%	442,929	10.9%	10.9%	-0.59%	0.24%	3.55%	3.04%	3.85%
Lehman US Credit BAA				0.80%				-0.67%	0.13%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	1,421,351	35.0%	35.0%	0.19%	1,446,085	35.7%	35.0%	-1.24%	-1.06%	2.32%	3.89%	5.04%
Lehman Aggregate (2)	, ,			0.95%	, ,			-0.08%	0.87%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	1.421.084	35.0%	35.0%	0.17%	1.474.224	36.4%	35.0%	0.16%	0.33%	3.43%	4.10%	3.38%
90 Day T-Bill	1,421,004	33.0%	33.0%	0.17%	1,414,224	30.4%	35.0%	0.18%	0.33%	3.43%	4.10%	3.18%
oo bay . Diii				0.1070				0.1070	0.0070	0.0070	7.21 /0	0.1070
TOTAL INSURANCE REGULATORY TRUST	4,059,721	100.0%	100.0%	0.14%	4,053,021	100.0%	100.0%	-0.81%	-0.67%	-2.71%	4.56%	5.72%
POLICY TARGET BENCHMARK				0.62%				-0.17%	0.45%	1.85%	5.91%	6.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

<sup>(1)</sup> From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index. (2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.